

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail Contract 146 (MC2016-3)
Negotiated Service Agreement

Docket No. CP2016-3

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF CHANGE IN PRICES PURSUANT TO
AMENDMENT TO PRIORITY MAIL CONTRACT 146

(February 23, 2016)

The Public Representative hereby provides comments pursuant to Order No. 3078.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of a change in the terms of Priority Mail Contract 146.² Attachment A to the Notice consists of a redacted version of the Amendment to Priority Mail Contract 146.

In Order No. 2763, the Commission approved the Postal Service's request to add a new product identified as Priority Mail Contract 146 to the Competitive product list.³ The Amendment revises the customer's Priority Mail contract rates, which appear in Sections, I.E., I.G., and I.H. The proposed revisions to these sections also readjust the dates these Sections take effect. Contract 146, as amended, is currently scheduled to expire over 2 years from the effective date of the amendment.

The Postal Service's Request includes a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. § 3633(a), and related analysis, a public

¹ Order No. 3078, Notice and Order Concerning Amendment to a Priority Mail Negotiated Service Agreement, February 16, 2016.

² Notice of United States Postal Service of Amendment to Priority Mail Contract 146, with Portions Filed Under Seal, February 12, 2016 (Notice).

³ See Order No. 2763, Order Adding Priority Mail Contract 146 to the Competitive Product List, Docket Nos. MC2016-3/CP2016-3, October 16, 2015.

version of the Amendment to Priority Mail shipping services Contract 146 and supporting financial data estimating the contract value during the first year.

The Postal Service states that the Amendment will take effect one business day following the day on which Commission completes its regulatory review of this filing. *Id.*

COMMENTS

The Public Representative has reviewed Priority Mail Contract 146 and the Postal Service's Amendment thereto. Based upon that review, the Public Representative recommends Commission approval of the Amendment to Contract 146.

As filed, the Amendment makes minor adjustments to the calculations used to adjust prices during the final years of the contract. The Public Representative therefore believes that these changes are not likely to have a material effect on cost coverage of Contract 146.

In addition, the Postal Service must file revenue and cost data for Contract 146 in future Annual Compliance Reports. This data will permit the Commission to annually review the financial results for Contract 146 in future Annual Compliance Determination (ACD) reports for compliance with 39 U.S.C. § 3633(a).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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